

**Before the
Public Service Commission of South Carolina**

Docket No. 2021-4-G

**Annual Review of Purchased Gas Adjustment and
Gas Purchasing Policies of Piedmont Natural Gas Company, Inc.**

**Testimony & Exhibits of MaryBeth Tomlinson
On Behalf Of
Piedmont Natural Gas Company, Inc.**

1 **Q. Please state your name and business address.**

2 A. My name is MaryBeth Tomlinson. My business address is 4720 Piedmont Row
3 Drive, Charlotte, North Carolina.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Duke Energy as the Manager of Gas Accounting for
6 Piedmont Natural Gas Company, Inc. ("Piedmont" or "Company").

7 **Q. Please briefly describe your education and experience.**

8 A. I received a B.A. degree in Accounting from Belmont Abbey College in
9 Belmont, NC in 1985. In 1985 I was employed by Hobbs, Crossley and Blacka
10 P.A. as a staff accountant. In 1987 I was employed by ALLTEL Corporation as
11 Manager of General Accounting. In 1995 I was employed by SeaLand Service
12 Corporation as Manager of Vessel Accounting. In 1999 I was employed by
13 United States Ship Management, LLC as Manager of General Accounting. In
14 2005 I was employed by HSBC Mortgage Corp. as Manager of Accounting. In
15 2007 I joined Piedmont as the Manager of Special Projects. In February 2008 I
16 became the Manager of Corporate Accounting. In August 2012 I became the
17 Manager of Plant Accounting and Accounts Payable. I accepted the position as
18 the Manager of Gas Accounting in January 2015.

19 **Q. Please describe your responsibilities as Manager of Gas Accounting.**

20 A. My responsibilities include: recording the cost of gas on Piedmont's books,
21 maintaining a proper match of revenues and cost of gas in Piedmont's income
22 statements, recording Piedmont's margin in accordance with regulatory
23 requirements in each of the three state jurisdictions in which Piedmont

1 operates, verifying volumes and prices on all invoices relating to the purchase
2 and transportation of natural gas, and recording gas inventory accounts and
3 deferred accounts.

4 **Q. Have you previously testified before this Commission or any other**
5 **regulatory authority?**

6 A. Yes. I have previously testified before this Commission and before the North
7 Carolina Utilities Commission.

8 **Q. What is the purpose of your testimony in this proceeding?**

9 A. The purpose of my testimony in this proceeding is to report Piedmont's end-of-
10 period balances and accounting for its deferred gas costs accounts in order to
11 permit the Commission to determine that Piedmont's true-up procedures for the
12 Review Period have resulted in a properly stated cost of gas and that
13 Piedmont's gas costs are properly recorded in compliance with Piedmont's Gas
14 Cost Recovery Mechanism and Hedging Plan.

15 **Q. What is the Review Period for this proceeding?**

16 A. The Review Period for this proceeding is April 2020 through March 2021.

17 **Q. Has the Office of Regulatory Staff ("ORS") reviewed Piedmont's**
18 **accounting for its cost of gas for the review period in this proceeding?**

19 A. Yes. The Commission has previously ordered the Company to maintain an
20 account reflecting its gas costs each month, the amount of gas costs recovered
21 each month, and amounts deferred each month. The audit staff of the ORS has

1 conducted a detailed audit and review of the review period activity in that
2 account, as well as the detailed data supporting the accounting entries to that
3 account. A summary of the review period activity in that account is attached
4 hereto as **Exhibit__(MBT-1)**.

5 **Q. Does the Company also maintain a hedging deferred account?**

6 A. Yes. Effective April 1, 2002, Piedmont implemented an experimental natural
7 gas hedging program ("Hedging Plan") pursuant to Commission Order No.
8 2002-223. Pursuant to this program, Piedmont maintains a Hedging Deferred
9 Account in which it records the results of its hedging activities undertaken in
10 accordance with its Hedging Plan. The audit staff of the ORS has also
11 conducted a detailed review of the activity in this account and the detailed
12 accounting data supporting that activity. A summary of the review period
13 activity in Piedmont's Hedging Deferred Account is attached hereto as
14 **Exhibit__(MBT-2)**.

15 **Q. Have the Company's Review Period gas costs been properly accounted**
16 **for?**

17 A. Yes.

18 **Q. Does this conclude your testimony?**

19 A. Yes.

Exhibit__ (MBT-1)

Piedmont Natural Gas Co., Inc. - South Carolina
Gas Cost Deferred Account Activity
Annual Prudence Review - Docket No. 2021-4-G
12 Months Ended March 31, 2021
Debits = Due from Customers (Credits) = Due to Customers

Exhibit__ (MB)

Reporting Month ==>	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	Totals
Gas Flow Month ==>	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	
Beginning Balance	(1,450,387.43)	(1,165,374.20)	(616,941.38)	(5,051,887.86)	(4,388,526.89)	(3,966,731.91)	(3,350,636.31)	(2,979,186.91)	(1,584,910.78)	(2,356,533.74)	(4,505,714.28)	(2,795,977.34)	
Billed vs. Filed Commodity True - Up	(357,091.75)	(247,312.81)	(932,455.13)	(251,772.81)	(289,681.39)	(82,584.14)	(105,276.72)	721,258.38	1,395,395.97	1,067,370.42	4,106,466.08	625,219.02	5,649,535.12
Demand True-Up	804,770.36	1,062,805.32	559,513.30	1,212,894.25	1,023,899.88	1,004,132.95	805,204.36	292,221.07	(1,737,055.05)	(2,233,614.44)	(1,341,336.56)	41,429.70	1,494,865.12
Negotiated Losses	-	-	-	-	-	-	-	-	-	-	-	-	
Capacity Release Credits	(224,559.47)	(266,421.95)	(262,504.77)	(266,289.85)	(268,958.35)	(265,503.92)	(227,785.67)	(354,446.11)	(430,744.78)	(429,748.05)	(400,688.58)	(369,804.35)	(3,767,455.85)
SC Portion of Off System Sales Revenue	(74,015.50)	(318,668.58)	(266,635.16)	(292,401.15)	(308,639.97)	(397,786.28)	(64,725.72)	(73,011.77)	(1,583,750.17)	(1,274,652.04)	(1,934,240.36)	(532,651.74)	(7,121,178.46)
SC Portion of Off System Sales Costs	63,485.65	272,870.75	223,699.71	260,207.96	265,725.75	353,398.39	42,454.15	23,762.55	1,129,682.46	1,114,778.64	1,739,788.76	485,439.64	5,975,294.22
WNA	247.22	1.13	(24.92)	(10.38)	20.72	(4.83)	301.63	770,875.41	432,815.10	(438,560.89)	(483,707.71)	(39,173.76)	242,778.72
Supplier Refunds	(6.36)	(55.38)	(3,770,630.26)	-	-	(1,173.82)	-	(0.05)	-	-	-	-	(3,771,865.49)
SC - Uncollectibles	23,935.84	24,505.66	8,811.62	4,657.57	7,302.30	9,275.99	(982.31)	194.34	2,329.33	9,008.55	29,444.64	109,945.99	228,429.22
Monthly Hedging Transfer	49,652.46	21,681.00	8,442.46	832.52	(3,246.32)	394.06	(73,733.97)	80,333.31	22,297.26	41,208.80	394.06	91,523.70	239,779.34
Other Adjustments	-	-	-	-	-	-	-	(63,927.27)	-	-	-	-	(63,927.27)
Ending Balance Before Interest	(1,163,968.98)	(615,969.06)	(5,048,724.53)	(4,383,769.75)	(3,962,104.27)	(3,346,583.51)	(2,975,180.56)	(1,581,927.05)	(2,353,940.66)	(4,500,742.75)	(2,789,593.95)	(2,384,049.14)	
Interest	(1,405.22)	(972.32)	(3,163.33)	(4,757.14)	(4,627.64)	(4,052.80)	(4,006.35)	(2,983.73)	(2,593.08)	(4,971.53)	(6,383.39)	(5,050.53)	(44,967.06)
Ending Balance	(1,165,374.20)	(616,941.38)	(5,051,887.86)	(4,388,526.89)	(3,966,731.91)	(3,350,636.31)	(2,979,186.91)	(1,584,910.78)	(2,356,533.74)	(4,505,714.28)	(2,795,977.34)	(2,389,099.67)	
Monthly Interest Rate	1.290%	1.310%	1.340%	1.210%	1.330%	1.330%	1.520%	1.570%	1.580%	1.740%	2.100%	2.340%	

(1) Other Adjustment for the December Reporting month is related to the termination of the Special Decrement Rate and recording the remaining regulatory balance due to customers as noted in SCPSC Docket # 2020-7-G.

Exhibit__ (MBT-2)

Piedmont Natural Gas Company, Inc. - South Carolina
Hedging Account Activity
Annual Prudence Review - Docket No. 2021-4-G
12 Months Ended March 31, 2021
Debits = Due from Customers (Credits) = Due to Customers

Exhibit__ (MBT-2)

		# of Contracts Executed / Exercised	Beginning Balance	Net Options Premium	Fees 1	Margin Requirement (P&L Cash Act)	Consultant Fees	Proceeds from Positions	Fees 2	Interest from Brokerage Account	Other Monthly Fee	Monthly Gain / Loss Transfer
April 2020		49	\$ -	48,510.00	759.50	-	382.96	-	-	-	-	49,652.46
May 2020		22	\$ -	21,340.00	341.00	-	-	-	-	-	-	21,681.00
June 2020		9	\$ -	7,920.00	139.50	-	382.96	-	-	-	-	8,442.46
July 2020		-	\$ -	-	-	-	832.52	-	-	-	-	832.52
August 2020		6	\$ -	-	-	-	405.16	(3,660.00)	8.52	-	-	(3,246.32)
September 2020		-	\$ -	-	-	-	394.06	-	-	-	-	394.06
October 2020		61	\$ -	-	-	-	394.06	(75,090.00)	961.97	-	-	(73,733.97)
November 2020		118	\$ -	96,615.00	1,596.50	-	394.06	(18,750.00)	477.55	-	-	80,333.11
December 2020		6	\$ -	21,810.00	325.50	-	394.06	-	(232.30)	-	-	22,297.26
January 2021		38	\$ -	40,620.00	589.00	-	-	-	(0.20)	-	-	41,208.80
February 2021		-	\$ -	-	-	-	394.06	-	-	-	-	394.06
March 2021		142	\$ -	107,160.00	1,705.00	-	394.06	(18,240.00)	504.64	-	-	91,523.70
			Activity Totals	343,975.00	5,456.00	-	4,367.96	(115,740.00)	1,720.18	-	-	239,779.14